wil] be noted that." accepting " houses were not released from their responsibility to meet the bills they had accepted, if their customers were still unable to remit the needful funds, but they were sustained in their position by advances from the Bank of England to provide their payment on maturity. I turn to the import of the qualification, "without recourse to the holder/' Bills of Exchange may pass through many hands prior to maturity: each person who acquires a bill and sells it adds his endorsement, and thus becomes .responsible to the purchaser if the bill be not provided-for by cash when its currency ends. The buyer of the bill, that is to say, possesses " recourse" for payment to his vendor: hence we have a regressus of liability, more or less prolonged, where each successive holder is entitled to a claim or "recourse" for settlement against the preceding owner from whom he bought. The guaranteed action of the Bank of England cancelled this obligation of the holder, and banks who held bills, being relieved of liability, could procure cash for their bills and thus enable monetary transactions and exchanges of goods to be continued. It should be added that the " holder " here mentioned apparently signified the holder who surrendered the bill on discount; and it was conjectured that former holders — predecessors in title to the actual holder at the time of discount—were not freed from liability in the event of the bill failing to be ultimately met. The latter contingency was partly modified by the promise of the Bank that on the maturity of the bill, the opportunity " until further notice " of deferring payment would be granted provided interest were paid at the bank rate increased by 2 per cent. The meaning attached to " further notice" was uncertain, but it was generally interpreted to refer to the termination of the war and the consequent resettlement of financial conditions. Did this guarantee entail any real risk upon the taxpayer, who forms the ultimate bearer of the

burden ? Was it probable, or/even remotely likely, that the obligation would involve him in loss in addition to the massive financial loads to which he was already subject? Sagacious judgment answered emphatically, No. For (1) the term "approved" implied a discriminative, though rational, selection of bills under the